Office of the Auditor General of Canada

2009–10 Estimates

Report on Plans and Priorities

Approved

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Message from the Auditor General of Canada

Sheila Fraser, Auditor General of Canada
Photo by André Cornellier

I am pleased to present my Office's Report on Plans and Priorities for 2009–10.

The coming year presents us with several challenges.

In 2008, our responsibilities under our environment and sustainable development mandate increased. Under the *Kyoto Protocol Implementation Act,* the Commissioner of the Environment and Sustainable Development is now required to provide Parliament with an assessment of Canada's progress in implementing its climate change plans and in meeting its obligations under the Kyoto Protocol. Under the *Federal Sustainable Development Act*, the Commissioner has a number of new responsibilities.

In addition, we have new responsibilities in our financial attest and special examination practices.

Despite these additional responsibilities, we will not be requesting additional funding in 2009–10. Instead, in response to the current financial situation that Canadians are facing, we are undertaking efforts to reduce our total spending. Our goal is to carry out our new responsibilities within our current level of resources.

We have begun planning reductions in our performance audit practice, and we are decreasing the number of performance audits we conduct—from 30 to approximately 25 per year. In addition, we plan to table our reports twice a year—once in the spring and once in the fall—rather than three times a year. We believe this will give Parliament more time between reports to hold hearings, while still providing them with the information they require for holding government to account for its use of public funds. These changes will allow us to reduce the overall costs of our performance audit practice. We will also look for ways to increase efficiencies in our other product lines and reduce administrative expenses and overhead.

Other challenges relate to our need to adapt our practices to the changing accounting and auditing standards that are coming into force and to provide our auditors with the necessary professional development. We have entered into a strategic alliance with a major private sector firm that will help us develop methodology and training for our employees and implement professional standards.

We have special methodology and training needs in common with our fellow legislative auditors at the provincial level. In light of this, we are creating a National Professional Practices Group within our Office. Under the terms of a memorandum of understanding with the provincial auditors general, we will provide technical accounting and auditing advisory services, practice advisories, and financial audit methodology and training support to their offices. We have requested the authority to re-spend the costs we recover from this project to offset the related expenditures.

I am confident that we will meet these challenges with the support of our excellent and dedicated staff. I am pleased to inform you that, for the second year in a row, the Office has been recognized as one of Canada's Top 100 Employers and Top 10 Family Friendly Employers and as one of the National Capital Region's Top 20 Employers. These awards confirm our commitment to the quality of the professional and personal lives of our employees, which will help us recruit and retain the highly qualified staff we need to fulfill our mandate.

I look forward to continuing to serve Parliament and trust that Parliamentarians will find our work interesting and useful.

Sheila Fraser, FCA
Auditor General of Canada

23 January 2009

Section I—Office Overview

The Office of the Auditor General of Canada is the federal government's legislative audit office. We are also the legislative auditor of the three territories. We conduct independent audits and studies that provide objective information, advice, and assurance to Parliament, territorial legislatures, governments, and Canadians. With our reports and testimony at hearings, we assist Parliament and legislatures in their work on the authorization and oversight of government spending and operations.

Responsibilities

The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. Her duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in certain cases, to monitoring of federal departments and agencies, Crown corporations, territorial governments, and other entities.

Major activities of legislative auditing

The Office of the Auditor General's main duties relate to legislative auditing. These include

- performance audits,
- financial audits,
- special examinations,
- sustainable development monitoring activities and environmental petitions,
- assessments of agency annual performance reports, and
- professional practices.

Performance audits. Performance audits examine, against established criteria, whether government programs are being managed with due regard for economy, efficiency, and environmental impact, and whether the government has the means to measure and report their effectiveness. Our reports contain recommendations for addressing the most serious deficiencies identified.

The *Auditor General Act* gives the Office the discretion to determine what areas of government it will examine in its performance audits. We may decide to audit a single government program or activity, an area of responsibility that involves several departments or agencies, or an issue that affects many departments and agencies. We consider requests for audits that we receive from parliamentary committees. However, the final decision about what to audit is made by the Auditor General.

In accordance with section 7 of the *Auditor General Act*, our performance audits are tabled in Parliament and published up to four times a year in the reports of the Auditor General of Canada and the Commissioner of the Environment and Sustainable Development. Our performance audit reports of territorial governments are published and presented to the territorial legislatures.

Financial audits. Our financial audits provide assurance that financial statements are presented fairly in accordance with Canadian generally accepted accounting principles or, in a few cases, with other relevant standards. Where required, we provide assurance that the organizations we audit comply, in all significant respects, with legislative authorities that are relevant to a financial audit. We conduct financial audits of federal and territorial Crown corporations and of other organizations. We also audit the summary financial statements of the Government of Canada and each of the three territories (Nunavut, the Yukon, and the Northwest Territories).

If issues or opportunities for improvement in areas such as financial reporting and internal controls come to our attention during our financial audit work, we make recommendations to management. We also provide information and advice to support audit committees in meeting their responsibilities for oversight of financial reporting and internal control.

We report our opinion and observations on the summary financial statements of the Government of Canada in the "Public Accounts of Canada, Volume 1," as required by section 6 of the *Auditor General Act*. Our audit reports on the financial statements of Crown corporations are addressed to the appropriate ministers and published in the corporations' annual reports. Our audit reports on the financial statements of other federal organizations are generally addressed to the minister, to the head of the organization, or to other appropriate parties. Our opinions on the financial statements of the territorial governments are published annually in the public accounts of the territorial governments. We also publish reports on the use of financial information and other significant issues identified through our financial audits in the Auditor General's reports to Parliament.

Special examinations. Our special examinations assess Crown corporations' financial and management controls, information systems, and management practices. A special examination provides an opinion to the board of directors of the corporation involved on whether there is reasonable assurance that there are no significant deficiencies in the corporation's systems and practices.

Legislation states that we should bring the information in our reports to the attention of the appropriate ministers and Parliament, when we deem it appropriate. For example, we do this when we find certain types of significant deficiencies, such as those related to mandate or governance issues that only the federal government can address, or problems that have previously been reported but continue to occur. We also report issues to the minister involving specific risks that, in our opinion, the minister needs to be aware of.

The *Financial Administration Act* requires that, once every five years, all Crown corporations—except the Bank of Canada, which is exempted from this requirement under section 85(1) of Part X—be subject to a special examination.

Sustainable development monitoring activities and environmental petitions. The Commissioner of the Environment and Sustainable Development assists the Auditor General in performing her duties related to the environment and sustainable development. The Commissioner conducts performance audits to monitor the government's progress on environmental and sustainable development issues and, on behalf of the Auditor General, reports to Parliament on issues that should be brought to its attention.

In addition, the Commissioner also administers the environmental petitions process. He monitors responses to environmental petitions, and reports annually to Parliament on petitions activities from the previous year, including instances where responses to petitions were not provided within the 120-day time limit specified in legislation.

Recent legislation has given the Commissioner new responsibilities (Exhibit 1).

Exhibit 1—New responsibilities of the Commissioner of the Environment and Sustainable Development

Under the *Kyoto Protocol Implementation Act* [C-288], the Commissioner is required to provide Parliament with a biennial report (every two years) that includes the following:

- an analysis of Canada's progress in implementing its climate change plans;
- an analysis of Canada's progress in meeting its obligations under Article 3, paragraph 1, of the Kyoto Protocol; and
- any observations and recommendations on any matter that the Commissioner considers relevant.

The Commissioner's first biennial report on the *Kyoto Protocol Implementation Act* will be tabled in Parliament in 2009.

With passage of the *Federal Sustainable Development Act* [C-474] in June 2008, the Commissioner has three specific responsibilities:

- First, the Commissioner must review a draft of the federal government's sustainable development strategy and comment on whether the targets and implementation strategies can be assessed.
- Second, beginning in 2011, the Commissioner must report annually to the House of Commons on the extent to which departments subject to the *Federal Sustainable Development Act* have contributed to meeting the targets set out in the federal strategy and have met the objectives and implemented the plans set out in their own sustainable development strategies. The first federal strategy must be tabled in the House of Commons no later than June 2010, and another must be tabled every three years thereafter.
- Third, the Commissioner must assess the fairness of the information contained in the government's progress report on implementing its strategy. The government's first progress report is due in June 2011, and a report is required every three years thereafter.

Assessments of agency annual performance reports. The legislation governing the Parks Canada Agency, the Canadian Food Inspection Agency, and the Canada Revenue Agency requires the Auditor General to undertake an assessment of the fairness and reliability of the performance information reported in their annual reports against corporate objectives they provided to Parliament.

Professional practices. The Office works with other legislative audit offices and professional associations, such as The Canadian Institute of Chartered Accountants, to advance legislative auditing methodology, accounting and auditing standards, and best practices. Our international activities, details of which are presented in Section III—Supplementary Information, include participation in organizations and events that have an impact on our work as legislative auditors. We regularly participate in external reviews of other national legislative audit offices and are the subject of external reviews.

Strategic outcome and expected results

The long-term strategic outcome of the Office of the Auditor General is to contribute to better-managed government programs and better accountability to Parliament through our legislative auditing.

We have identified a number of results that we expect to achieve with our audits in the short-, medium-, and long-term. In the short-term, we want to engage Parliament and federal and territorial organizations in the audit process, ensure that Parliament is well informed about our work, and maintain support for our role and work. In the medium-term, we want to assist Parliament in holding the government to account; make our work relevant to federal and territorial organizations, departments, agencies and Crown corporations; and ensure that the public is well informed about our work. In the long-term, we want our work to lead to more effective, efficient and economical government programs and operations, and programs that foster sustainable development.

The following table provides a summary of our planned spending and planned human resources for the next three years (Exhibit 2).

Exhibit 2—Planned financial and human resources

Financial Resources	Forecast spending 2008–09	Planned spending 2009–10	Planned spending 2010–11	Planned spending 2011–12
	($ millions)			
Total Main Estimates	**81.9**	**82.2**	**82.2**	**82.2**
Adjustments:				
Operating Budget carry forward	3.6			
Salary increases	1.0			
Parental leave and severance payments	2.1			
Total adjustments	6.7	0.0	0.0	0.0
Total planned spending	**88.6**	**82.2**	**82.2**	**82.2**
Plus: Cost of services received without charge	12.5	12.8	13.0	13.1
Less: Forecasted lapse	-1.5			
Total cost of program	**99.6**	**95.0**	**95.2**	**95.3**
Less: Revenue (respendable and non-respendable)	-0.8	-1.4	-1.4	-1.4
Net cost of program	**98.8**	**93.6**	**93.8**	**93.9**

Human Resources	2008–09	2009–10	2010–11	2011–12
Full-time equivalents (FTEs)	628	620	620	620

The following table provides the Office's planning summary, including strategic outcome, expected results, performance objectives, indicators, and targets and planned spending by major activity (Exhibit 3). In setting performance targets, we use our past performance as a base. We seek to be realistic while challenging ourselves to achieve tangible improvements.

Exhibit 3—Planning summary table

Strategic Outcome: We contribute to a well-managed and accountable government for Canadians

Expected Results:

- Parliament is well-informed
- Parliament and federal and territorial organizations are engaged in the audit process
- Parliament holds government to account
- Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations
- The media and public are well-informed
- Support for our role and work is maintained

Objectives	Indicators and targets
Key users of our reports are engaged in the audit process	Maintain the percentage of audits that are reviewed by parliamentary committees Maintain the percentage of parliamentary hearings and briefings we participate in, relative to the number of sitting days
Our work adds value for the key users of our reports	Maintain or increase the percentage of users who find our audits add value
Our work adds value for the organizations we audit	Maintain or increase the percentage of senior managers who find our audits add value
Key users of our reports and the organizations we audit respond to our findings	Maintain or increase the percentage of recommendations that are implemented or reservations/deficiencies that are addressed

Legislative auditing activity	Forecast spending 2008–09 ($ millions)	Planned spending 2009–10 ($ millions)	Alignment to Government of Canada outcomes
Performance audits and studies of departments and agencies	45.2	38.5	Government Affairs
Financial audits of Crown corporations, territorial governments, and other organizations, and of the summary financial statements of the Government of Canada	35.2	36.4	
Special examinations of Crown corporations	8.6	7.6	
Sustainable development monitoring activities and environmental petitions	1.4	1.7	
Assessments of agency performance reports	0.7	0.7	
Professional practices	8.5	10.1	
Total cost of program	**99.6**	**95.0**	

Our priorities for 2009–10

Sustaining our capacity

Our people are central to our ability to fulfill our responsibilities and achieve our strategic outcome. Since 2006, we have identified various human resource issues as priorities for the Office. This is in response to the additional work we have been given, the increasing demand for and tight supply of qualified audit professionals, the turnover of our staff, and the retirements of our senior management. We expect many of these pressures to continue in the foreseeable future.

In 2009–10, sustaining our capacity continues to be a major challenge and priority. We will focus on continuing our entry level recruitment efforts and enhancing our student program, to better meet our current needs and to build for the future. We will complete the expansion of our methodology teams and the enhancement of our training programs. We will adopt a strategic methodology development plan to ensure our efforts in this area focus on the most important needs of our auditors. We will also improve coordination between our methodology activities and training initiatives to ensure our methodology is clearly reflected in the way we conduct our audits.

Creating a National Professional Practices Group

In order to meet the needs that we share with our provincial colleagues, we have entered into an agreement that states that the Office will create a National Professional Practices Group, which will provide technical accounting and auditing advisory services, practice advisories, and financial audit methodology and training support to all members of the Canadian Council of Legislative Auditors (CCOLA). By creating this group, we and our provincial colleagues will be able to work together in the development and implementation of professional standards, and in methodology development and training, from the perspective of legislative auditors.

The Office completed consultations with Treasury Board of Canada Secretariat officials in fall 2008 on this matter. The Office will be seeking authority from Parliament, through an amendment to its vote wording, to re-spend costs recovered from CCOLA members. We expect the authority to offset the related expenditures incurred by the Office, when it provides these services—up to $660,000 per fiscal year, will be presented for Parliament's approval in the next *Appropriation Act*.

Integrating changes to professional standards

In 2007–08, we began to increase our efforts to integrate changes to professional standards into our policies, methodology, training, and practices. Last year, we noted the recent decisions, made by standard setting boards of The Canadian Institute of Chartered Accountants, to adopt International Standards on Auditing in 2010 and International Financial Reporting Standards in 2011. The scale of these changes is unprecedented in auditing and accounting in Canada.

In 2009–10, we will continue our work to implement these new standards in the Canadian public sector. We will also continue with the expanded training of our staff and our efforts to raise awareness in the organizations we audit. We have formed a strategic alliance with a major private accounting firm to achieve further efficiencies in methodology, training, and the development and implementation of professional standards.

Improving resource allocation and project management

In 2006–07, we began reporting externally on our on-budget performance and recognized it as an area for improvement. Our 2008 employee survey has identified a matter we believe is related—improving our allocation of staff to audit projects.

As a result, our third strategic challenge and priority for 2009–10 is to improve our resource allocation and project management through better audit planning and budgeting. We have undertaken a number of initiatives, including the creation of a resource planning and career management team. Most recently, we began a study of our current planning and budgeting practices with a view to developing a comprehensive action plan that will address the many dimensions of this challenge.

Funding new Office work

As detailed in Section II of this report, the Office has been given the responsibility of conducting seven new financial audits and three special examinations of new Crown corporations. As noted earlier in this section, the Commissioner of the Environment and Sustainable Development has also been given new responsibilities, under the *Kyoto Protocol Implementation Act* and the *Federal Sustainable Development Act.* In light of the current fiscal climate, the Office will not be seeking additional funding to carry out this new work. Instead, we will reduce our expenses in a number of ways, including the following:

- Beginning in 2010, reduce the number of performance audits conducted from 30 to approximately 25 per year.
- In the 2010–11 and 2011–12 fiscal years, table two reports instead of our usual three.
- Reduce our use of auditors on a contract basis by redeploying auditors within the Office.
- Reduce our travel costs and the costs of our corporate services.
- Reduce staff levels, through attrition.

Section II—Planning Highlights by Product Line

The Office contributes to a well-managed and accountable government for Canadians through our work in the five types of legislative auditing activities (Exhibit 4).

Exhibit 4—Our legislative auditing activities				
Performance audits and studies	Financial audits of Crown corporations, territorial governments and other organizations, and of the summary financial statements of the Government of Canada	Monitoring of sustainable development activities and the environmental petition process	Special examinations of Crown corporations	Assessments of agency performance reports

We gather information on the impact of our work and have established indicators and targets to measure the results for our three major activities: performance audits, financial audits, and special examinations. The following sections describe the main activities, expected results, performance objectives, indicators, and targets for each of these activities. They also present the financial resources that will be dedicated to each one.

Our main legislative auditing activities

Performance audits and studies of departments and agencies

Performance audits and studies answer the following questions:

- Are federal government programs well managed?
- Have they been run with due regard to economy, efficiency, and their environmental effects?
- Does the government have the means to measure their effectiveness where it is reasonable and appropriate to do so?

Planning Highlights. In 2009–10, we plan to report the findings of 25 performance audits. The schedule for the coming year is in Section III—Supplementary Information.

We use a risk-based approach to audit planning that involves the development of a multi-year audit plan for each significant federal government organization subject to audit. It involves discussions with key senior managers and a review of key documentation for those organizations. We expect to complete at least five multi-year plans in 2009–10.

The following table includes the expected results, performance objectives, indicators, and targets and planned financial resources for performance audits and studies (Exhibit 5).

Exhibit 5—Performance audits and studies	
Expected results: • Parliament and federal and territorial organizations are engaged in the audit process • Parliament holds government to account • Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations	
Objectives	**Indicators and targets**
Key users of our reports are engaged in the audit process	60 percent of performance audits are reviewed by parliamentary committees Maintain the percentage of parliamentary hearings and briefings we participate in, relative to the number of sitting days
Our work adds value for the key users of our reports	90 percent of selected parliamentary committee members find our performance audits add value
Our work adds value for the organizations we audit	65 percent of departmental senior managers find our performance audits add value
Key users of our reports and the organizations we audit respond to our findings	75 percent of performance audit recommendations are substantially or fully implemented four years after their publication
Planned financial resources 2009–10: $38.5 million	

Financial audits of Crown corporations, territorial governments, and other organizations

Financial audits answer the following questions:

- Are the annual financial statements of Crown corporations, territorial governments, and other organizations presented fairly?
- Is the federal government presenting fairly its overall financial situation?
- Are these entities complying with their legislative authorities?

Planning highlights. The Office has statutory responsibilities for the audit of the summary financial statements of the Government of Canada and each of the three territorial governments, the financial statements of federal and territorial Crown corporations, and other entities. Beginning in 2008, the audit of the International Labour Organization (a United Nations agency) is included among other entities.

The Office has recently taken on the responsibility of conducting seven new financial audits:

- Canadian Forces Reserve Pension Plan,
- Canada Hibernia Holding Corporation,
- Canadian Museum for Human Rights,
- Canada Employment Insurance Financing Board,
- PPP Canada Inc.,
- First Nations Statistical Institute, and
- Office of the Public Sector Integrity Commissioner.

In 2009–10, we will conduct a total of more than 130 financial audits as well as other assurance engagements.

The following table includes the expected results, performance objectives, indicators, and targets and planned financial resources for financial audits of Crown corporations, territorial governments, and other organizations (Exhibit 6)

Exhibit 6—Financial audits	
Expected results: • Parliament and federal and territorial organizations are engaged in the audit process • Parliament holds government to account • Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations	
Objectives	**Indicators and targets**
Our work adds value for the key users of our reports	75 percent of audit committee chairs find our financial audits add value
Our work adds value for the organizations we audit	75 percent of Crown corporation and large department senior managers find our financial audits add value
Key users of our reports and the organizations we audit respond to our findings	100 percent of the reservations in our audit opinions are addressed from one financial audit to the next
Planned financial resources 2009–10: $36.4 million	

Special examinations of Crown corporations

A special examination of a Crown corporation answers the following question:

- Do the systems and practices used by Crown corporations provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently, and that operations are carried out effectively?

Planning highlights. During a five-year period, the Office performs special examinations of about 40 federal Crown corporations. In 2009–10, we plan to report on the special examinations of the 15 corporations listed in Section III—Supplementary Information. Three new Crown corporations have been added recently: Canadian Museum for Human Rights, Canada Employment Insurance Financing Board, and PPP Canada Inc. Legislation requires that we conduct special examinations of these organizations at least once every five years.

The following table includes the expected results, performance objectives, indicators, and targets and planned financial resources for special examinations of Crown corporations (Exhibit 7).

Exhibit 7—Special examinations	
Expected results: • Parliament and federal organizations are engaged in the audit process • Parliament holds government to account • Our work is relevant to federal organizations, departments, agencies, and Crown corporations	
Objectives	**Indicators and targets**
Our work adds value for the key users of our reports	90 percent of board chairs find our special examinations add value
Our work adds value for the organizations we audit	75 percent of Crown corporation chief executive officers find our special examinations add value
Key users of our reports and the organizations we audit respond to our findings	100 percent of significant deficiencies are addressed from one special examination to the next
Planned financial resources 2009–10: $7.6 million	

Our measures of organizational performance

We measure and manage our performance as an organization in a number of ways. The following section describes our key performance objectives, indicators, and the targets that we measure our performance against.

Delivering work on time and on budget

The following table includes the objectives, indicators, and targets for delivering our work on time* and on budget** (Exhibit 8).

Exhibit 8—Our work is delivered on time* and on budget**

Objectives	Indicators and targets
Performance audits	
on time	90 percent of performance audit reports are tabled in the House of Commons on the planned date as published in our Report on Plans and Priorities
on budget	70 percent of performance audits are completed on budget
Financial audits	
on time	• 100 percent of financial audits of federal Crown corporations are completed on time • 100 percent of financial audits of other federal organizations with a statutory deadline are completed on time • 70 percent of financial audits of federal organizations without a statutory deadline are completed on time • 55 percent of financial audits of territorial organizations are completed on time
on budget	• 70 percent of financial audits of federal Crown corporations are completed on budget • 70 percent of financial audits of other federal organizations with a statutory deadline are completed on budget • 70 percent of financial audits of federal organizations without a statutory deadline are completed on budget • 55 percent of financial audits of territorial organizations are completed on budget
Special examinations	
on time	100 percent of special examination reports are delivered on or before the statutory deadline
on budget	70 percent of special examinations are completed on budget

* on time refers to the statutory deadline where one exists (usually 90 days after year end), or 150 days after the year end where no statutory deadline exists.

** on budget means that the actual hours to complete an audit did not exceed the budgeted hours by more than 15 percent.

Ensuring that quality management frameworks are operating effectively

The following table includes the objectives, indicators, and targets for ensuring that our quality management frameworks are operating effectively (Exhibit 9).

Exhibit 9—Our quality management frameworks are operating effectively	
Objectives	**Indicators and targets**
Quality management frameworks are suitably designed and operating effectively	100 percent of external peer reviews find our quality management frameworks are suitably designed and operating effectively
Quality management frameworks are operating effectively	100 percent of internal practice reviews find our audits in compliance with our quality management frameworks

Providing a respectful workplace

Our values for creating a respectful workplace are trust, integrity, and leading by example. These values define how we conduct ourselves and carry out our work. In addition, the Office strongly supports the values of competency, representativeness, non-partisanship, fairness, employment equity, transparency, flexibility, affordability, and efficiency. The Office includes these values in all of its human resource activities. In addition, since 2005 fifty percent of managers' performance pay has been tied to their people management skills.

The Office monitors its performance against a set of targets for creating a respectful workplace. The following table includes the objectives, indicators, and targets for providing a respectful workplace (Exhibit 10).

Exhibit 10—We provide a respectful workplace	
Objectives	**Indicators and targets**
Overall employee satisfaction	80 percent of employees believe the Office is either an above-average place to work or one of the best places to work
Bilingual workforce	100 percent of assistant auditors general and principals meet our language requirements; 75 percent of directors in bilingual regions meet our language requirements
Diverse workforce	100 percent representation of workforce availability for women, people with disabilities, Aboriginal peoples, and members of visible minorities
Employee retention	90 percent retention of audit professionals

Section III—Supplementary Information

List of tables

The following are located on the Treasury Board Secretariat of Canada's website at http://publiservice.tbs-sct.gc.ca/estsd-bddc/index-eng.asp:

- Select sustainable development commitments and targets (Table 1)
- Sources of respendable and non-respendable revenue (Table 2)
- Internal audits planned for 2009–10 (Table 3)

International activities

Our international strategy guides our international activities as well as positioning the Office to meet future opportunities and challenges.

International accounting and auditing standards are influencing Canada's public and private sector standards and will soon be mandatory in Canada for private sector enterprises. The Office plays an active role in shaping these standards, particularly as they relate to the public sector. To that end, the Auditor General assumed the chair of the Professional Standards Subcommittee on Accounting and Reporting Standards of the Professional Standards Committee of the International Organization of Supreme Audit Institutions (INTOSAI) in November 2007.

The Office is also a member of the Financial Audit Guidelines Subcommittee supporting and actively contributing to the work of developing high-quality guidelines for financial audit that are globally accepted for the audit of financial statements in the public sector. In January 2008, the Auditor General also became a member of the International Public Sector Accounting Standards Board of the International Federation of Accountants. In addition, employees in the Office participate in various task forces of the International Auditing and Assurance Standards Board to revise and develop International Standards on Auditing. This expert participation helps to build public sector considerations into these international standards.

The Auditor General chaired the INTOSAI Working Group on Environmental Auditing (WGEA) until November 2007 and continues to support WGEA activities by providing assistance to the Auditor General of Estonia, who now chairs the WGEA. The WGEA helps supreme audit institutions (SAIs) to better understand environmental issues. It also helps them build their capacity to conduct audits of their governments' environmental protection and sustainable development activities, by preparing guidance materials, training auditors, and facilitating knowledge-sharing among members.

The International Legislative Audit Office Assistance Program for Improved Governance and Accountability of the CCAF-FCVI Inc. was established in 1980 to strengthen performance auditing in national audit offices. Funded by the Canadian International Development Agency, the program brings auditors from national audit offices to Canada for 10 months of training in performance auditing, accountability, and governance. Training is provided by our Office and that of the Vérificateur général du Québec and the Office of the Auditor General of Alberta.

The Office has recently completed its audit mandate of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization. In early 2007, the Office was selected as the external auditor of the International Labour Organization for a four-year term, effective in 2008.

Planned performance audits

The Office of the Auditor General is planning to table the following performance audits during the 2009–10 fiscal year.

Federal performance audits

The following federal performance audits are planned for tabling in May 2009

- Financial Management and Control—National Defence
- Management of Intellectual Property
- Protecting Fish Habitat—Fisheries and Oceans Canada
- Real Property—The Management of Health and Safety Issues
- Monitoring Progress Against the *Kyoto Implementation Act*
- Interest on Advance Payments from Taxpayers—Canada Revenue Agency
- Gender-based Analysis in the Federal Government
- Special Examinations of Crown Corporations—Annual Summary
- Selected Contribution Agreements—Natural Resources Canada

The following federal performance audits are planned for tabling in November 2009

- Impacts of Legislative Uncertainty—Canada Revenue Agency, Finance Canada
- Government-wide Audit of Program Evaluation
- First Nations Land Management and Environment
- Aid to Focus Countries—Canadian International Development Agency
- Implementation of Electronic Health Records
- Foreign Workers in Canada
- Emergency Preparedness
- Acquisition of Military Vehicles—National Defence
- Environmental Petitions Annual Report
- Application of the *Canadian Environmental Assessment Act*
- Analytical Methods for Integrated Decision Making and Sustainable Development (study)
- Chemicals Management
- National Pollutants Release Inventory

Territorial performance audits

The following territorial performance audits are planned for tabling in 2009–10:

- June 2009—Contracting for Goods and Services in the Northwest Territories
- February 2010—Yukon Housing Corporation
- March 2010—Human Resources Capacity in Nunavut

Planned special examinations

The following table lists the special examinations we plan to complete in 2009–10. The *Financial Administration Act* requires Crown corporations to be the subject of a special examination within five years of their last special examination. However, sometimes the examination report may be delivered in a fiscal year before the year it is due (Exhibit 11).

Exhibit 11—Special examinations planned for 2009–10

Organization	Statutory deadline
Marine Atlantic Inc.	27 August 2009
Canadian Commercial Corporation	13 September 2009
Standards Council of Canada	6 October 2009
Enterprise Cape Breton Corporation	13 October 2009
Canada Deposit Insurance Corporation	23 November 2009
Canada Post Corporation	7 December 2009
Freshwater Fish Marketing Corporation	3 March 2010
National Arts Centre Corporation*	29 June 2010
National Gallery of Canada*	14 April 2010
Royal Canadian Mint*	25 May 2010
Old Port of Montréal Corporation Inc.*	22 June 2010
Canadian Dairy Commission*	29 June 2010
Telefilm Canada*	29 June 2010
Canadian Race Relations Foundation*	29 June 2010
Laurentian Pilotage Authority*	15 July 2010

* This special examination is due in 2010–11 but is planned to be delivered in 2009–10.